

MARYLAND
**HEALTH CARE
COMMISSION**

**Annual Report on
Licensed Acute Care Hospital Bed Capacity
Effective July 1, 2002**

Division of Health Resources
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Annual Report on Licensed Acute Care Hospital Bed Capacity Effective July 1, 2002

Background

This Annual Report on Licensed Acute Care Hospital Bed Capacity for fiscal year 2003 has been prepared by the Maryland Health Care Commission's Health Resources Division. Licensed acute general hospital beds (medical/surgical/gynecology, obstetric, pediatric and acute psychiatric services) are included in this inventory report. Newborn bassinets, which are not licensed, and non-acute care beds located in acute care hospitals, such as "special hospital" beds (rehabilitation, chronic care, long term psychiatric services) are excluded from each hospital's total licensed capacity. The Commission maintains a detailed inventory of all licensed beds and bassinets in Maryland's acute general hospitals, which is available upon request.

This annual report marks the third year of implementation for Maryland's patient census-based acute care hospital licensure procedures. Implemented in October of 2000, these new procedures have standardized the measurement of licensed beds. The process establishes a maximum licensed capacity for each acute care hospital reflecting their actual utilization. The Department of Health and Mental Hygiene annually calculates the average daily census of each hospital for a 12 month reporting period, and licensed bed capacity is established at 140 percent of the hospital's average daily census.

The initial implementation of these new licensing procedures in October 2000 resulted in a statewide reduction in licensed acute care hospital bed capacity of 2,773 beds, or a 23% reduction, reflecting the large number of 'paper beds'. In each of the following two years, however, the total number of licensed beds has increased by approximately 2%.

Recent Trends Contributing to the FY 2003 Changes

The average daily census (ADC) of acute general hospital patients in Maryland has risen in each of the four years since 1998. Prior to that, hospital ADC had declined almost every year since 1980, primarily in the medical/surgical service, the largest category of acute hospital discharges. The population increase of the older age categories may contribute to the increase in the number of medical/surgical service discharges. Analysis of the discharge data suggests that the primary factor driving this recent reversal in acute care hospital patient days is an increase in the discharge *rate* (i.e., the number of hospital discharges per capita) of Maryland's population, especially the 65 and older population and especially with respect to medical/surgical patient days. Average length of hospital stay, the other variable which, in combination with the discharge rate and population change, determines hospital census, has been in long-term decline and continues to decline. However, the rate of decline in average length of stay has slowed. This, in combination with the increasing discharge rate and the increasing population, have resulted in a return to growth in hospital bed use not seen since the 1970s.

Table 1 shows the new licensed acute care bed capacity for each acute care hospital, by service, effective July 1, 2002 for FY 2003. Total licensed acute care beds increased by 2% over last year. Table 2 shows the trend over four years in licensed acute care beds by hospital, beginning with the year just prior to implementation of the new licensure process. Table 3 shows this same trend grouping hospitals that are part of a multi-hospital system. The Maryland hospitals in the nine multi-hospital systems include 49% of the hospitals and 58% of the licensed acute care beds.

While total licensed acute care hospital bed capacity increased for the second consecutive year, the overall reductive impact of the new standard for licensure has still been significant. Statewide, there are 2,332 fewer acute care hospital beds licensed in FY 2003 than were licensed before implementation of Maryland's new licensure procedures, a reduction of 19%.

Licensed Acute Care Hospital Beds in Maryland: FY 2003

- The calculation of licensed beds for FY 2003, based on each hospital's average daily census from April 1, 2001 through March 31, 2002, results in a total acute care general hospital bed capacity of 9,996 beds in Maryland. This compares to 9,791 licensed beds for FY 2002. The overall statewide increase from FY 2002 to FY 2003 is 205 beds, or 2.1%. This is a slightly smaller increase than the 229 bed increase seen last year over FY 2001.
- The increase in the number of licensed beds is seen in most regions of the state. The largest increases are in the Southern Maryland region. The jurisdictions with the largest increases in licensed beds are Prince George's, Anne Arundel, Carroll and Calvert counties. Baltimore City increased by 92 licensed acute care beds, a 2.5% increase. Montgomery and Baltimore counties were virtually unchanged with reductions of less than half of a percent.
- Twenty nine of Maryland's 47 acute general hospitals were given an increased number of licensable beds. The biggest individual increases are seen at:
 - Southern Maryland Hospital Center (36 beds)
 - University of Maryland Hospital (27)
 - Union Memorial Hospital (26)
 - North Arundel Hospital (23)
 - Carroll County General Hospital (22)
 - Sinai Hospital (21)
- Eighteen hospitals saw the total number of beds they can license decrease. The biggest reductions were from:
 - Greater Baltimore Medical Center (20 beds)
 - Washington Adventist Hospital (16)
 - Harford Memorial (14)
 - Upper Chesapeake Medical Center (8)
 - Washington County Hospital (8)

- On a statewide basis, over 88% of the licensed bed increase from FY 2002 to FY 2003 occurred in the general medical/surgical service category. Statewide, the net change in licensed bed capacity by major clinical service category was as follows:
 - Medical/surgical service category increased 182 beds (a 2.3% increase from the previous year)
 - Obstetric service category increased 7 beds (less than 1% increase)
 - Pediatric service category was unchanged from the previous year
 - Acute psychiatric service category increased 16 beds (2.3% increase from the previous year)

Temporary Adjustments

The regulations provide a mechanism to address peak census demands. Hospitals can request a temporary adjustment to their licensed bed capacity whenever needed to respond to demands for inpatient beds in excess of their licensed capacity. The hospitals notify the Office of Health Care Quality of the number of additional beds needed, and written approval is granted. The hospitals then submit a monthly report to the Health Services Cost Review Commission, called the Days Over Capacity report (DOC), listing the number of days in the month that they exceeded their licensed capacity, the number of beds used in each of those days, and the service to which each bed was assigned.¹

This new licensure approach assumes that all hospitals can comfortably operate at an average annual occupancy rate of approximately 71%. However, substantial fluctuation in patient census, which may be seasonal in nature, or an average patient census that is increasing rapidly over the course of the license year, may create a need for temporary adjustment of licensed bed capacity. As would be expected, hospital size appears to be a significant factor in the need for temporary adjustment. Eight of the hospitals which have used temporary adjustment since 2000 are hospitals with less than 99 licensed beds, representing 73% of the hospitals in this small-size category. Only 28% of the larger hospitals (>100 beds) required a temporary adjustment of licensed bed capacity. Table 4 shows the distribution of Maryland acute general hospitals by licensed bed capacity in the past four years.

Table 5 shows the distribution of the temporary adjustment process from its implementation in November of 2000 through March 2002, and the number of bed-days (beds in excess of licensed capacity times the number of days those beds were in service) used by each hospital in excess of their licensed capacity. The hospitals on this table appear to fall into one of three categories: hospitals experiencing sustained increases in average daily census, hospitals with large but temporary swings in census, particularly during the winter months, and small hospitals, primarily those with less than 100 beds. These small hospitals appear to rely on the temporary adjustment process to manage their census even when their average daily census over the year remains fairly stable.

¹ There are at least two potential problems with this data taken from the HSCRC's DOC reporting form. First, under-counting may occur if some hospitals are not submitting DOC forms when they should. Second, over-counting may occur when the DOC forms are submitted when the capacity of one *service* was exceeded, but the total hospital's licensed acute care bed capacity was *not* exceeded. As the MHCC and the HSCRC continue to use this data, reporting consistency and data reliability will improve.

**Table 1. Licensed Acute Care Beds, by Hospital and by Service
Maryland, FY 2003**

Jurisdiction/ Region	Hospital	Acute Care Service:				Total
		Med/Surg	Obstetric	Pediatric	Psychiatric	
Allegany County	Memorial Hospital and Medical Ctr of Cumberland	110	12	8	0	130
	Sacred Heart Hospital	123	0	0	17	140
	Total: Allegany County	233	12	8	17	270
Frederick County	Frederick Memorial Hospital	188	23	10	15	236
Garrett County	Garrett County Memorial Hospital	28	4	2	0	34
Washington County	Washington County Hospital	186	14	9	17	226
WESTERN MARYLAND TOTAL		635	53	29	49	766
Montgomery County	Holy Cross Hospital of Silver Spring	243	83	20	0	346
	Montgomery General Hospital	99	14	2	25	140
	Shady Grove Adventist Hospital	184	59	20	0	263
	Suburban Hospital	198	0	6	24	228
	Washington Adventist Hospital	249	33	0	40	322
MONTGOMERY COUNTY TOTAL		973	189	48	89	1,299
Calvert County	Calvert Memorial Hospital	73	10	2	15	100
Charles County	Civista Medical Center	80	15	5	0	100
Prince George's County	Doctor's Community Hospital	176	0	0	0	176
	Fort Washington Medical Center	41	0	0	0	41
	Laurel Regional Hospital	84	10	0	20	114
	Prince George's Hospital Center	210	40	10	30	290
	Southern Maryland Hospital Center	187	24	4	25	240
	Total: Prince George's County	698	74	14	75	861
St. Mary's County	Saint Mary's Hospital of St. Mary's County	52	12	6	12	82
SOUTHERN MARYLAND TOTAL		903	111	27	102	1,143
Anne Arundel County	Anne Arundel Medical Center	202	46	12	0	260
	North Arundel Hospital	229	0	10	14	253
	Total: Anne Arundel County	431	46	22	14	513
Baltimore City	Bon Secours Hospital	120	0	0	33	153
	Good Samaritan Hospital of Maryland	223	0	0	0	223
	Harbor Hospital	134	26	6	0	166
	James Lawrence Kernan Hospital	7	0	0	0	7
	Johns Hopkins Bayview Medical Center	268	16	10	20	314
	Johns Hopkins Hospital	630	39	148	103	920
	Maryland General Hospital	147	20	0	28	195
	Mercy Medical Center	175	27	5	4	211
	Saint Agnes Hospital	247	30	10	0	287
	Sinai Hospital of Baltimore	308	26	31	24	389
	Union Memorial Hospital	231	13	6	26	276
	University of Maryland Hospital	516	34	46	60	656
	Total: Baltimore City	3,006	231	262	298	3,797
Baltimore County	Franklin Square Hospital	256	37	19	24	336
	Greater Baltimore Medical Center	235	60	8	0	303
	Northwest Hospital Center	178	0	0	12	190
	Saint Joseph Medical Center	238	28	10	28	304
	Total: Baltimore County	907	125	37	64	1,133
Carroll County	Carroll County General Hospital	147	20	7	20	194
Harford County	Harford Memorial Hospital	75	0	0	10	85
	Upper Chesapeake Medical Center	129	9	5	0	143
	Total: Harford County	204	9	5	10	228
Howard County	Howard County General Hospital	129	32	6	20	187
CENTRAL MARYLAND TOTAL		4,824	463	339	426	6,052
Caroline County						0
Cecil County	Union Hospital of Cecil County	82	11	6	9	108
Dorchester County	Dorchester General Hospital	46	0	0	20	66
Kent County	Kent & Queen Anne's Hospital	38	4	4	0	46
Queen Anne's County						0
Somerset County	Edward W. McCready Memorial Hospital	15	0	0	0	15
Talbot County	Memorial Hospital at Easton	97	25	15	0	137
Wicomico County	Peninsula Regional Medical Center	270	24	12	17	323
Worcester County	Atlantic General Hospital	39	0	0	0	39
EASTERN SHORE TOTAL		587	64	37	46	734
MARYLAND TOTAL		7,922	880	480	712	9,994

Source: Maryland Health Care Commission

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**Table 2. Trend in Licensed Acute Care Beds, by Hospital
Maryland: 2000 - 2003**

Jurisdiction/ Region	Hospital	Year:			
		2000*	FY 2001	FY 2002	FY 2003
Allegany County	Memorial Hospital and Medical Ctr of Cumberland	201	140	127	130
	Sacred Heart Hospital	240	145	132	140
	Total: Allegany County	441	285	259	270
Frederick County	Frederick Memorial Hospital	228	241	233	236
Garrett County	Garrett County Memorial Hospital	76	35	35	34
Washington County	Washington County Hospital	266	223	234	226
WESTERN MARYLAND TOTAL		1,011	784	761	766
Montgomery County	Holy Cross Hospital of Silver Spring	408	340	344	346
	Montgomery General Hospital	213	140	142	140
	Shady Grove Adventist Hospital	263	253	248	263
	Suburban Hospital	338	217	230	228
	Washington Adventist Hospital	290	344	338	322
MONTGOMERY COUNTY TOTAL		1,512	1,294	1,302	1,299
Calvert County	Calvert Memorial Hospital	139	88	92	100
Charles County	Civista Medical Center	121	97	98	100
Prince George's County	Doctor's Community Hospital	250	166	175	176
	Fort Washington Medical Center	37	36	39	41
	Laurel Regional Hospital	174	109	107	114
	Prince George's Hospital Center	447	276	284	290
	Southern Maryland Hospital Center	350	221	204	240
	Total: Prince George's County	1,258	808	809	861
St. Mary's County	Saint Mary's Hospital of St. Mary's County	107	84	83	82
SOUTHERN MARYLAND TOTAL		1,625	1,077	1,082	1,143
Anne Arundel County	Anne Arundel Medical Center	301	237	244	260
	North Arundel Hospital	312	231	230	253
	Total: Anne Arundel County	613	468	474	513
Baltimore City	Bon Secours Hospital	208	147	157	153
	Good Samaritan Hospital of Maryland	192	196	204	223
	Harbor Hospital	350	162	170	166
	James Lawrence Kernan Hospital	24	7	8	7
	Johns Hopkins Bayview Medical Center	306	296	311	314
	Johns Hopkins Hospital	989	922	927	920
	Maryland General Hospital	243	154	183	195
	Mercy Medical Center	285	211	217	211
	Saint Agnes Hospital	383	284	281	287
	Sinai Hospital of Baltimore	368	350	368	389
	Union Memorial Hospital	349	247	250	276
	University of Maryland Hospital	724	629	629	656
	Total: Baltimore City	4,421	3,605	3,705	3,797
	Franklin Square Hospital	383	299	329	336
	Greater Baltimore Medical Center	372	308	323	303
Baltimore County	Northwest Hospital Center	223	171	181	190
	Saint Joseph Medical Center	434	308	306	304
	Total: Baltimore County	1,412	1,086	1,139	1,133
Carroll County	Carroll County General Hospital	168	166	172	194
Harford County	Harford Memorial Hospital	283	102	99	85
	Upper Chesapeake Medical Center	184*	120	151	143
	Total: Harford County	467	222	250	228
Howard County	Howard County General Hospital	233	167	179	187
CENTRAL MARYLAND TOTAL		7,314	5,714	5,919	6,052
Cecil County	Union Hospital of Cecil County	166	98	103	108
Dorchester County	Dorchester General Hospital	95	65	68	66
Kent County	Kent & Queen Anne's Hospital	64	45	49	46
Somerset County	Edward W. McCready Memorial Hospital	20	13	13	15
Talbot County	Memorial Hospital at Easton	159	130	138	137
Wicomico County	Peninsula Regional Medical Center	300	305	317	323
Worcester County	Atlantic General Hospital	62	37	39	39
EASTERN SHORE TOTAL		866	693	727	734
MARYLAND TOTAL		12,328	9,562	9,791	9,994

Source: Maryland Health Care Commission. 2000 inventory as of 8-15-00 (prior to implementation of licensure procedures), from *Report on the Implementation of Acute Care Hospital Licensure Regulations, Fact Sheet; October 25, 2000*; FY 2001 and 2002 inventories from *Annual Report on Licensed Acute Care Hospital Bed Capacity; FY 2002*.

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* Note: Number of licensed beds in effect prior to the October 2000 implementation of Maryland's annual licensure calculation process.

**Table 3: Trend in Licensed Acute Care Beds, by System Affiliation
Maryland: 2000 - 2003**

System Name	Hospital	Year:			
		2000*	FY 2001	FY 2002	FY 2003
Johns Hopkins Health System	Johns Hopkins Hospital	989	922	927	920
	Johns Hopkins Bayview Medical Center	306	296	311	314
	Howard County General Hospital	233	167	179	187
	System Total	1,528	1,385	1,417	1,421
University of Maryland Medical System	University of Maryland Hospital	724	629	629	656
	North Arundel Hospital	312	231	230	253
	Maryland General Hospital	243	154	183	195
	James Lawrence Kernan Hospital	24	7	8	7
	System Total	1,303	1,021	1,050	1,111
MedStar Health	Franklin Square Hospital	383	299	329	336
	Union Memorial Hospital	349	247	250	276
	Good Samaritan Hospital of Maryland	192	196	204	223
	Harbor Hospital	350	162	170	166
	System Total	1,274	904	953	1,001
Adventist HealthCare	Washington Adventist Hospital	290	344	338	322
	Shady Grove Adventist Hospital	263	253	248	263
	System Total	553	597	586	585
LifeBridge Health	Sinai Hospital of Baltimore	368	350	368	389
	Northwest Hospital Center	223	171	181	190
	System Total	591	521	549	579
Dimensions Healthcare System	Prince George's Hospital Center	447	276	284	290
	Laurel Regional Hospital	174	109	107	114
	System Total	621	385	391	404
Western Maryland Health System	Sacred Heart Hospital	240	145	132	140
	Memorial Hospital and Medical Ctr of Cumberland	201	140	127	130
	System Total	441	285	259	270
Upper Chesapeake Health System	Upper Chesapeake Medical Center	184	120	151	143
	Harford Memorial Hospital	283	102	99	85
	System Total	467	222	250	228
Shore Health System	Memorial Hospital at Easton	159	130	138	137
	Dorchester General Hospital	95	65	68	66
	System Total	254	195	206	203
Total: System Hospitals		7,032	5,515	5,661	5,802
Non System Hospitals	Holy Cross Hospital of Silver Spring	408	340	344	346
	Peninsula Regional Medical Center	300	305	317	323
	Saint Joseph Medical Center	434	308	306	304
	Greater Baltimore Medical Center	372	308	323	303
	Saint Agnes Hospital	383	284	281	287
	Anne Arundel Medical Center	301	237	244	260
	Southern Maryland Hospital Center	350	221	204	240
	Frederick Memorial Hospital	228	241	233	236
	Suburban Hospital	338	217	230	228
	Washington County Hospital	266	223	234	226
	Mercy Medical Center	285	211	217	211
	Carroll County General Hospital	168	166	172	194
	Doctor's Community Hospital	250	166	175	176
	Bon Secours Hospital	208	147	157	153
	Montgomery General Hospital	213	140	142	140
	Union Hospital of Cecil County	166	98	103	108
	Calvert Memorial Hospital	139	88	92	100
	Civista Medical Center	121	97	98	100
	Saint Mary's Hospital of St. Mary's County	107	84	83	82
	Kent & Queen Anne's Hospital	64	45	49	46
	Fort Washington Medical Center	37	36	39	41
	Atlantic General Hospital	62	37	39	39
	Garrett County Memorial Hospital	76	35	35	34
	Edward W. McCready Memorial Hospital	20	13	13	15
	Total: Non System Hospitals	5,296	4,047	4,130	4,192
Maryland Total		12,328	9,562	9,791	9,994

Note: 'Systems' are local multi-hospital systems with more than one hospital in Maryland. This table includes only those hospital members in Maryland.

* Note: Number of licensed beds in effect prior to the October 2000 implementation of Maryland's annual licensure calculation process.

**Table 4. Number of Acute General Hospitals by Size Category:
Maryland, 1990 - 2003**

Number of Licensed Acute Care Beds	Number of Hospitals in 2000	Number of Hospitals in FY 2001	Number of Hospitals in FY 2002	Number of Hospitals in FY 2003
Less than 50	3	6	6	6
50 – 99	4	5	5	3
100 – 149	3	8	6	9
150 – 199	6	7	8	7
200 – 249	8	8	9	6
250 – 299	6	5	3	6
300 – 349	6	5	7	7
350-399	6	1	1	1
400-499	3	0	0	0
500 or More	2	2	2	2
Total Hospitals	47	47	47	47
Average Hospital Size	262 beds	203 beds	208 beds	213 beds

Table 5. Days Over Capacity: Utilization of Temporary Adjustments to Annual Acute Care Licensed Bed Capacity

Hospital	Licensed Beds, 7-1-02	2000		2001												2002			Total
		Nov	Dec	Jan	Feb	Mar	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	
Memorial Hospital at Easton	138			286	121	146	168	90	208	81	30			11		179	201	25	1,546
Washington County Hospital	234		20	87	219	50	22	26	26	16	9	20	30	7	10	21		27	590
Southern Maryland Hosp. Ctr.	204								1						6	357		8	372
Upper Chesapeake Medical Center	151	9		57	23	116	72												277
Kent & Queen Anne's Hospital	49			129	62	44										5			240
Edward W. McCready Mem. Hospital	13		6	15	3	21	26	13	13	4	21	12	26	6	1	5	3	3	178
Memorial Hospital of Cumberland	127									7	32		35				13	18	105
Dorchester General Hospital	68			31	14	43			5										93
Civista Medical Center	98					9	5	2					1	1	4	35	26	6	89
Maryland General Hospital	183			18	26	1	1	2		2	32								82
Sacred Heart Hospital	132			7				3	1	1	18	1	18					26	75
St. Mary's Hospital	83			29	10	1													40
Calvert Memorial Hospital	92			15		4	8												27
Atlantic General Hospital	39		2	22															24
Garrett Co. Memorial Hospital	35				5	6					2							4	17
Anne Arundel Medical Center	244			1	6	1										6			14
North Arundel Hospital	230												3	1	1	1	3	2	11
Carroll Co. General Hospital	172															4	4		8
University of Maryland	629												5						5
Franklin Square Hospital	329					2													2
Maryland Total		9	28	697	489	444	302	136	254	111	144	33	118	26	22	613	250	119	3,795

Source: Health Services Cost Review Commission's Monthly Reports; prepared by the Maryland Health Care Commission

Note: Kernan Hospital also used the temporary adjustment process, as reflected in that hospital's many applications to the Office of Health Care Quality for temporary adjustments, but no reports of days over Capacity were filed with their monthly reports.